

The Evolution of Coaching from Charm School to ROI

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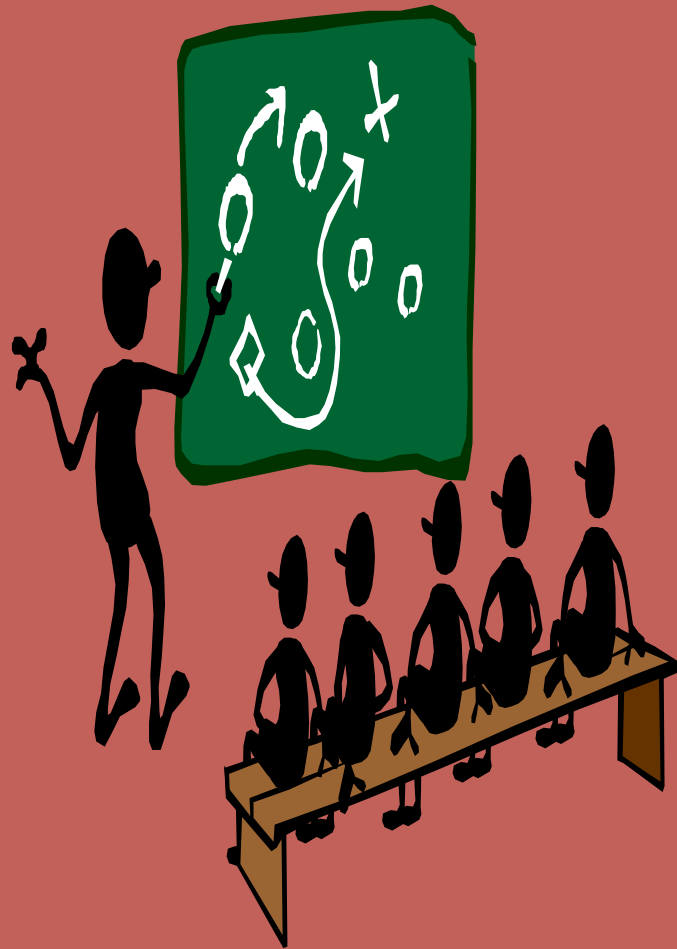


Introduction: Katherine Holt

- Executive coach with experience in 360° feedback, assessment, behavior change, action learning, leadership development, team-building and organizational change.
- Managed PDI Japan and trained coaches in Asia-Pacific from 1994-2000.
- Established Peakinsight LLC to offer coaching and consulting for corporate change, innovation and sustainability.
- Formed Global Coach Network in 2004.
- Served on ASTD Board of Directors; was honored for lifetime achievement in 2005.
- Will launch Coach Salon on July 15 as a bimonthly forum for coaches to explore case studies, discuss business coaching practices and receive mentoring support.



Today's agenda



- Setting the stage
- Addressing common challenges
- Exploring some sample cases
- Maximizing ROI



Burning issues for many companies



- Finding out where money is being spent on coaching (accountability)
- Justifying coaching budget to senior management
- Controlling money spent on external coaches
- Implementing a structured evaluation as part of a formal corporate coaching process



International Coach Federation (ICF) Competency Model

- **Meets ethical guidelines and professional standards**—Understands coaching ethics and standards and applies them appropriately in all coaching situations.
- **Establishes coaching agreement**—Understands what is required in the specific coaching interaction and comes to agreement with the prospective and new client about the coaching process and relationship; **identifies how the coaching goals link to enhanced business performance.**
- **Establishes trust and intimacy with the client**—Creates a safe, supportive environment that produces ongoing mutual respect and trust.
- **Displays coaching presence**—Is fully conscious and creates spontaneous relationship with the client, employing a style that is open, flexible, and confident.
- **Demonstrates active listening**—Focuses completely on what the client is saying and is not saying, to understand the meaning of what is said in the context of the client's desires and to support client self-expression.
- **Asks powerful questions**—Asks questions that reveal the information needed for maximum benefit to the coaching relationship and the client.
- **Uses direct communication**—Communicates effectively during coaching sessions and uses language that has the greatest positive impact on the client.
- **Creates awareness**—Integrates and accurately evaluates multiple sources of information and makes interpretations that help the client to gain awareness and thereby achieve agreed-upon results.
- **Designs actions**—Creates with the client opportunities for ongoing learning, during coaching and in work/life situations, and for taking new actions that will most effectively lead to agreed-upon coaching results.
- **Develops goals and plans**—Develops and maintains an effective coaching plan with the client.
- **Manages progress and accountability**—Holds attention on what is important for the client and leaves responsibility with the client to take action.



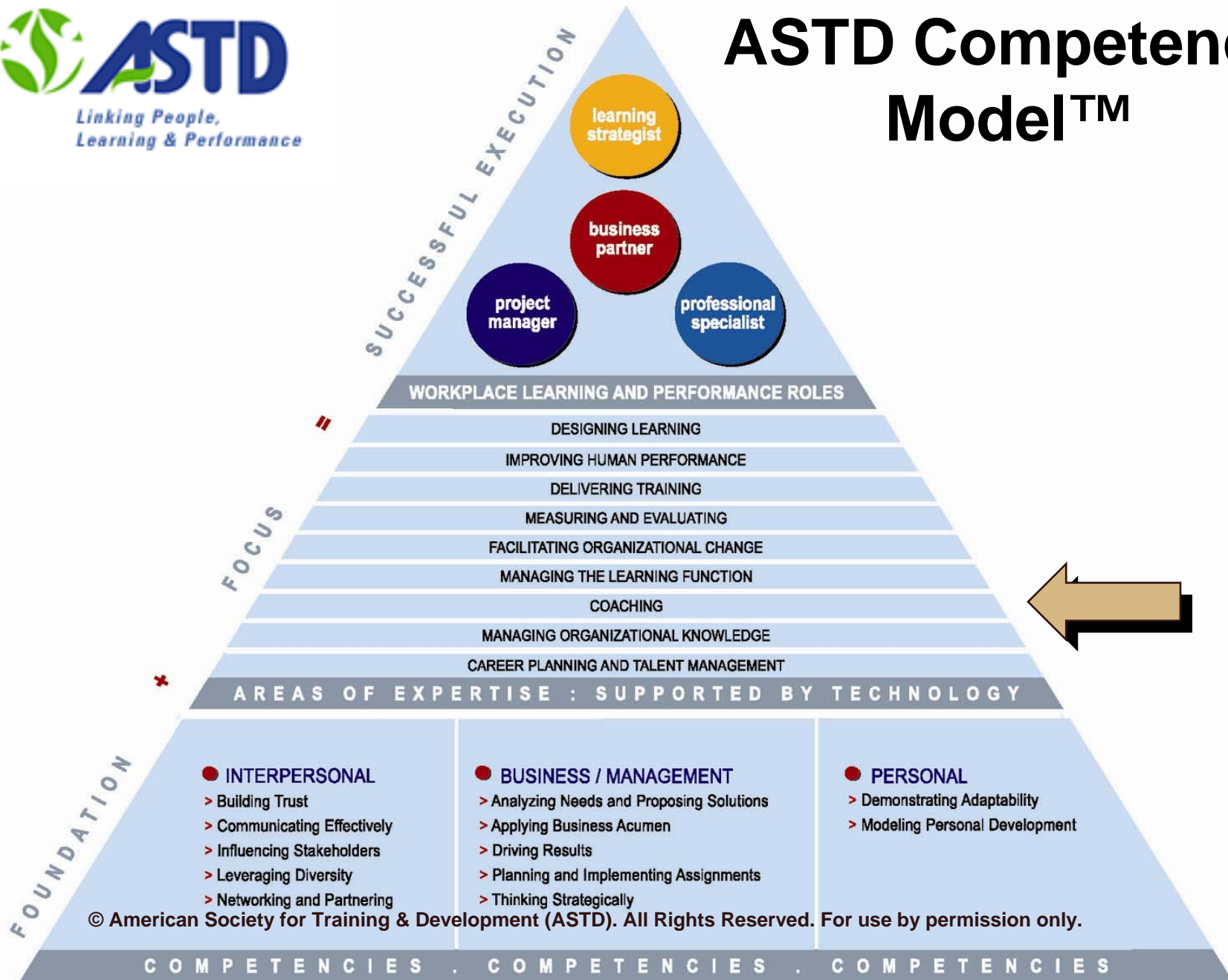
ASTD Survey Research: Implications for the WLP Profession

Rank	Implication	% Agree Very Important or Essential
1	Aligning learning and performance strategies with the organization's strategy	93%
2	Demonstrating a payback from your efforts in the form of improved organizational performance and measurable results	85%
3	Operating ethically and with social responsibility	83%
4	Developing or offering learning tools to meet the need for just-in-time learning and knowledge	82%
5	Developing and implementing strategies for retaining and developing talent	81%
6	Increasing competence in understanding technology alternatives and their use and application in delivering learning and training	77%
7	Understanding and responding to globalization and diversity issues	61%





ASTD Competency Model™



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ASTD CPLP Certification Knowledge Test

1. Designing Learning	15%
2. Delivering Training	15%
3. Improving Human Performance	15%
4. Measuring and Evaluating	12%
5. Facilitating Organizational Change	12%
6. Managing the Learning Function	9%
7. Coaching	8%
8. Managing Organizational Knowledge	8%
9. Career Planning & Talent Management	6%



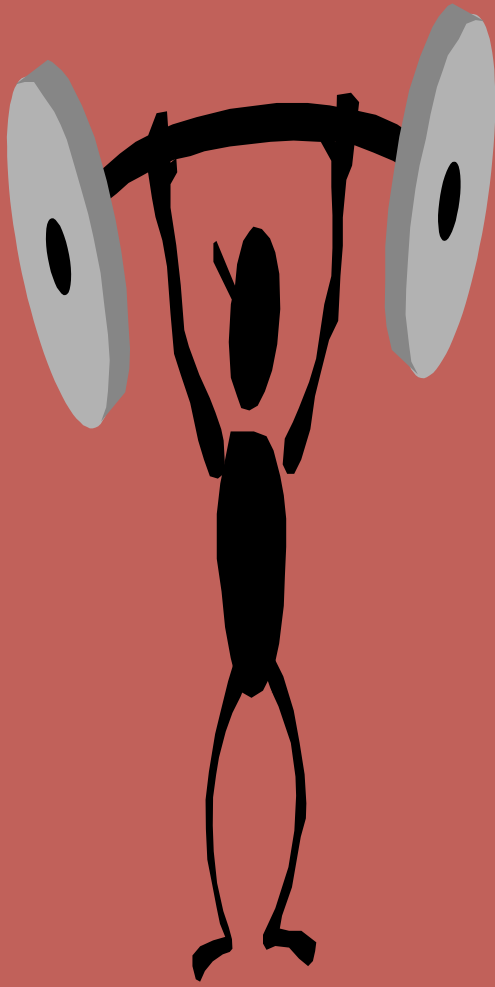
Common challenges



- Focusing on the right stuff
- Choosing the right solution
- Finding the right coach
- Maximizing ROI



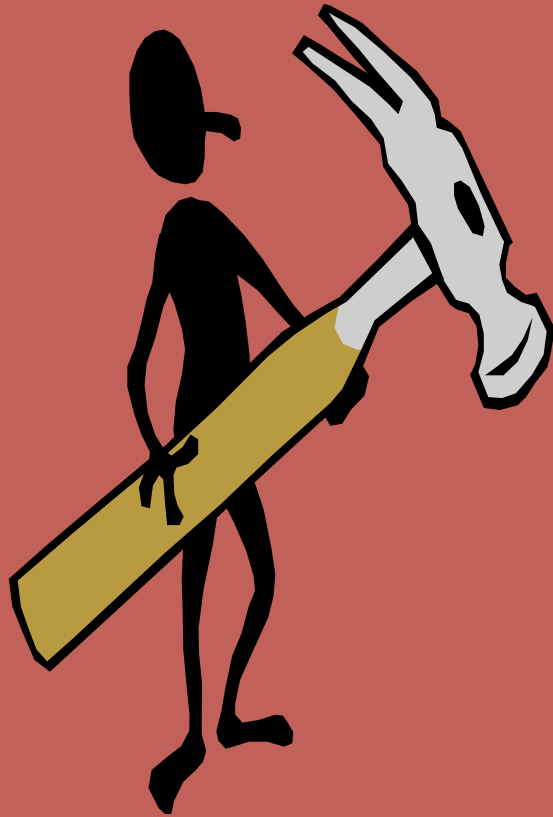
Where to focus for change? ROI? There are many options...



- Leverage strengths to accelerate change
- Address development needs to remove obstacles
- Manage stakeholder perceptions
- Improve overall leadership and/or team effectiveness
- Focus on how to succeed in handling a particular project, then transfer learning to other situations



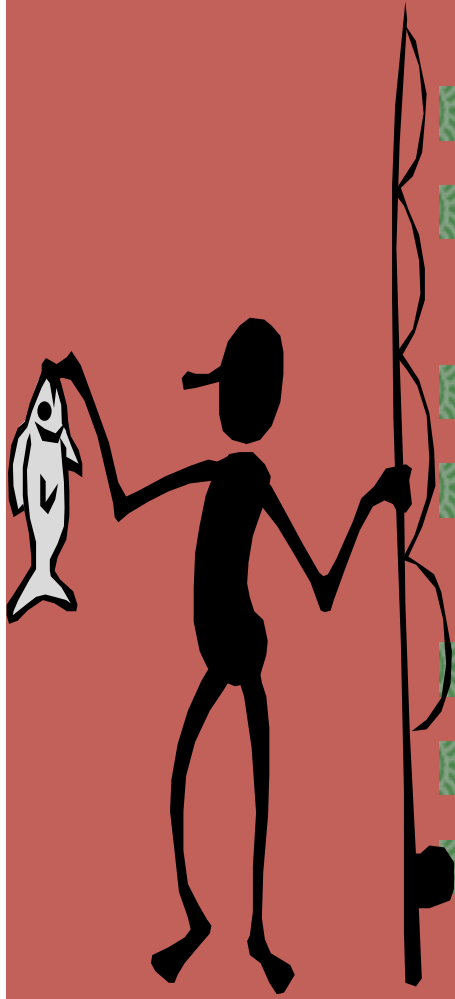
Is coaching the right solution?



- Is there a skill deficit?
- Is there a “can do” or “will do” issue?
- How fast do the changes need to be made?



What coaching intervention will have the best success (and ROI)?



- Performance improvement
- Leadership behavior change
- Career/life questions
- Transitions (e.g., repatriation)
- Strategy
- Organizational change
- Leadership development programs (e.g., 360)



What should you look for in
recruiting an executive coach?

... recognizing that beauty is in
the eye of the beholder



Factors impacting coaching effectiveness (Manchester Study)

Enhancers:

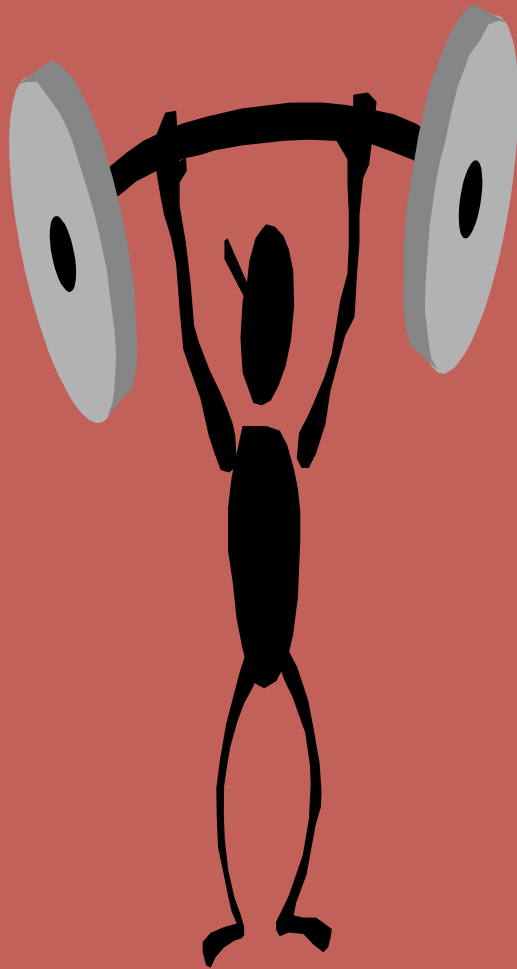
- Coach/participant relationship (87%)
- Quality of feedback (62%)
- Quality of assessment (57%)
- Participant's commitment (51%)
- Manager's support (43%)

Detractors:

- Participant's availability (44%)
- Communication issues (25%)
- Organization support (25%)
- Participant's commitment (13%)



Common match-making issues



- Finding experienced business coaches who will be a good fit and speak the right language
- Evaluating coaches who have different training, credentials & experience
- Matching a coach with your client; deciding whether or not to offer several options



Our research: What did you most appreciate about your coach?

- “Created environment for me to grow”
- “Provided opportunities for reflection”
- “Asked questions that made me think”
- “Challenged me with tough questions”
- “Gave me feedback”
- “Helped me seek feedback”
- “Gave me a different point of view”
- “Held me accountable”
- “Open, honest, non-judgmental, insightful”
- “Compassion”



“All coaching is life coaching.”

-- Linda Laddin

Peakinsight Global Coach Network

Hong Kong



My own approach to coaching
and consulting has been
changing over the years...

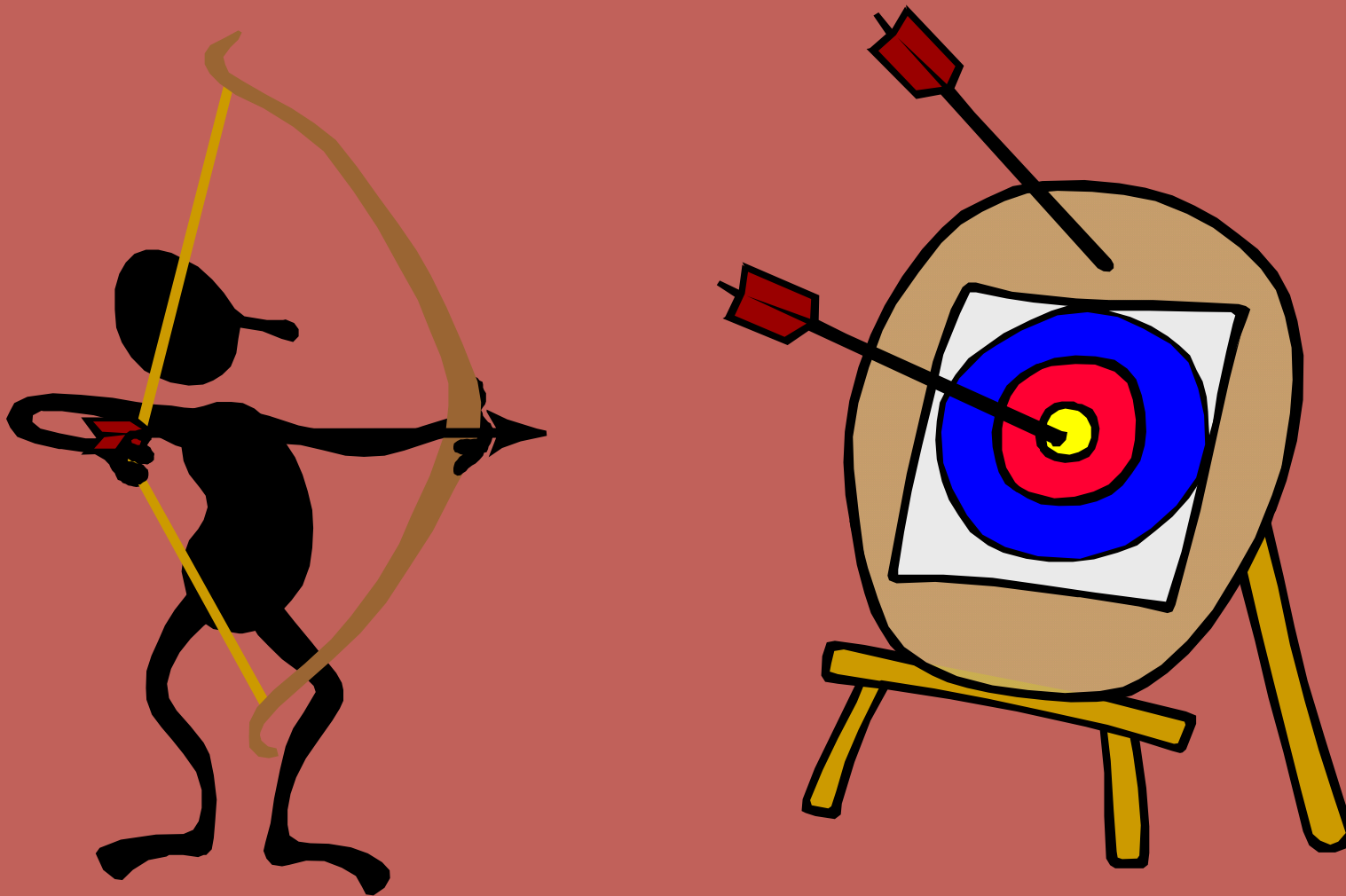


Typical change process

1. Analyze the situation (i.e., problems)
2. Define ideal state
3. Develop a plan to close the gap
4. Implement the plan
5. Deal with resistance
6. Monitor and evaluate progress



How many times have change efforts failed or missed their mark?



Compare 2 executives referred for coaching

1. Mandate to change (or else!)
2. Expectation to leverage strengths and do whatever it would take in challenging new area

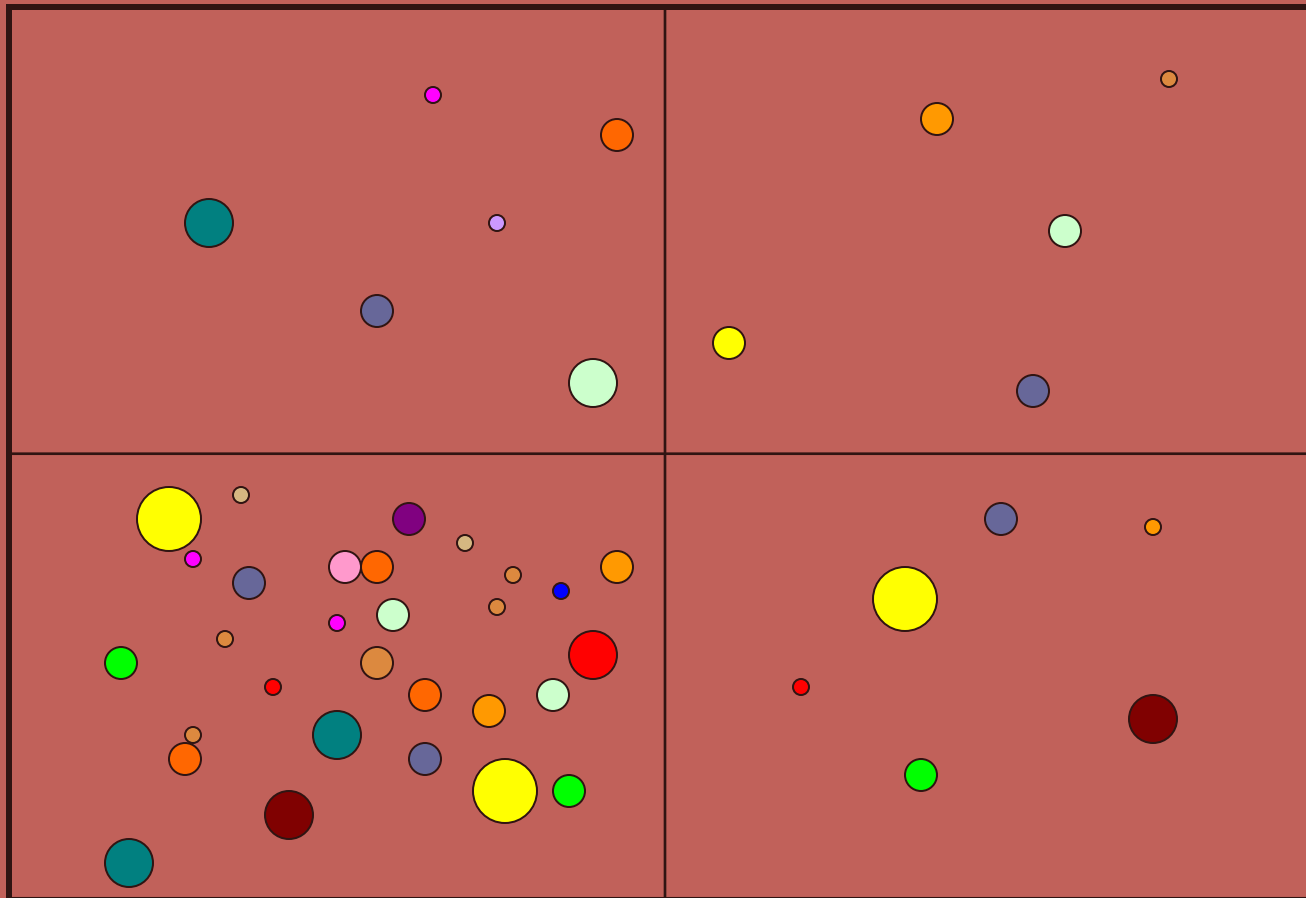
Who was most engaged?



20 years of coaching cases

POSITIVE FOCUS

**I
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**G
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P**

NEGATIVE FOCUS



The power of positive imagery

- Placebo effect
- Pygmalion research
- Positive emotions are contagious in leaders (Barbara Frederickson, POS)
- Positive networks (Wayne Baker)
- Bowling story
- Appreciative Inquiry
- “Now, Discover Your Strengths” (Marcus Buckingham)



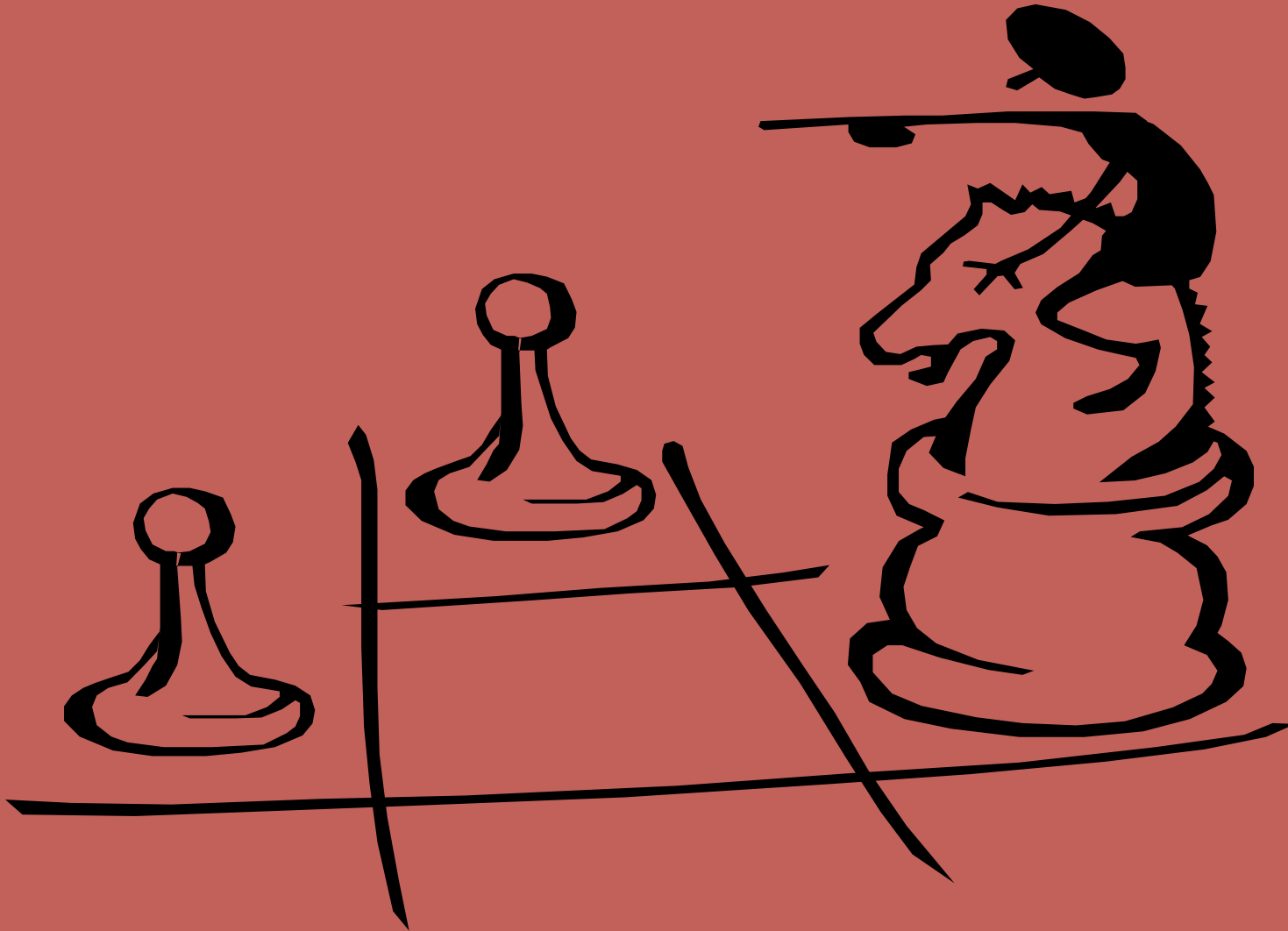
The 34 Themes of StrengthsFinder

(from "Now Discover Your Strengths" by Marcus Buckingham, Gallup)

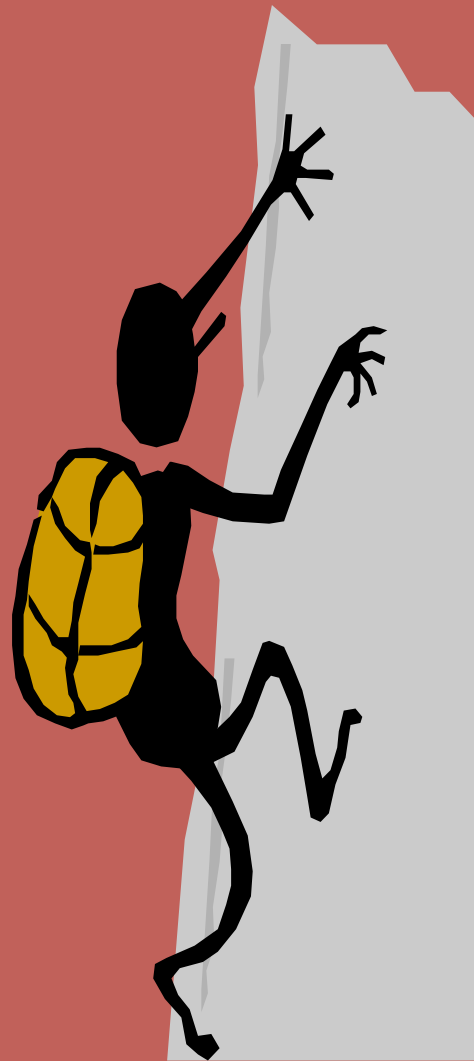
Achiever	Futuristic
Activator	Harmony
Adaptability	Ideation
Analytical	Inclusiveness
Arranger	Individualization
Belief	Input
Command	Intellection
Communication	Learner
Competition	Maximizer
Connectedness	Positivity
Context	Relator
Deliberative	Responsibility
Developer	Restorative
Discipline	Self-assurance
Empathy	Significance
Fairness	Strategic
Focus	Woo



People move in the
direction they focus on



Deficit focus leads to...



- Fragmentation
- Few new images of possibility
- Exhaustion
- Reliance on Experts
- Dependency on Hierarchy
- Deficit vocabularies
- Breakdown in relationships
- **Slow change**

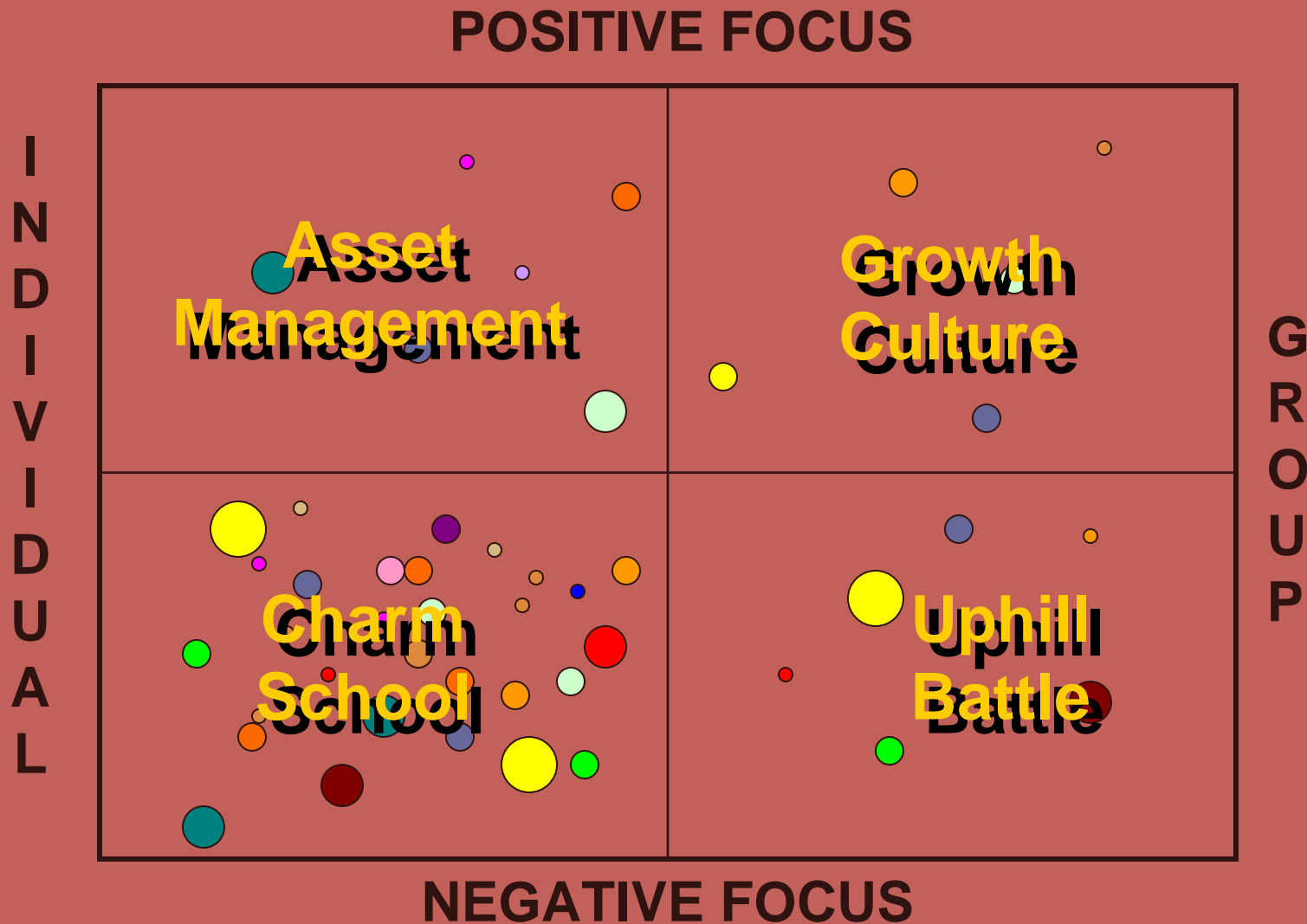


Strength focus

- Enhances relationships
- Respects the community and its members
- Looks at the whole picture
- Helps engage people in their work
- Keeps the intervention focused
- Produces quick, enduring changes



20 years of coaching cases



Case #1

Charm School:

Fixing abrasive leaders &
other problem performers



“Some large corporations write people off; but rather than just fire those people, the organization engages in a pseudobehavioral coaching process that is more ***seek and destroy*** than help people get better. We only work with leaders who are seen as potentially having a great future in the corporation. We only work with people who will be given a fair chance by their management.”

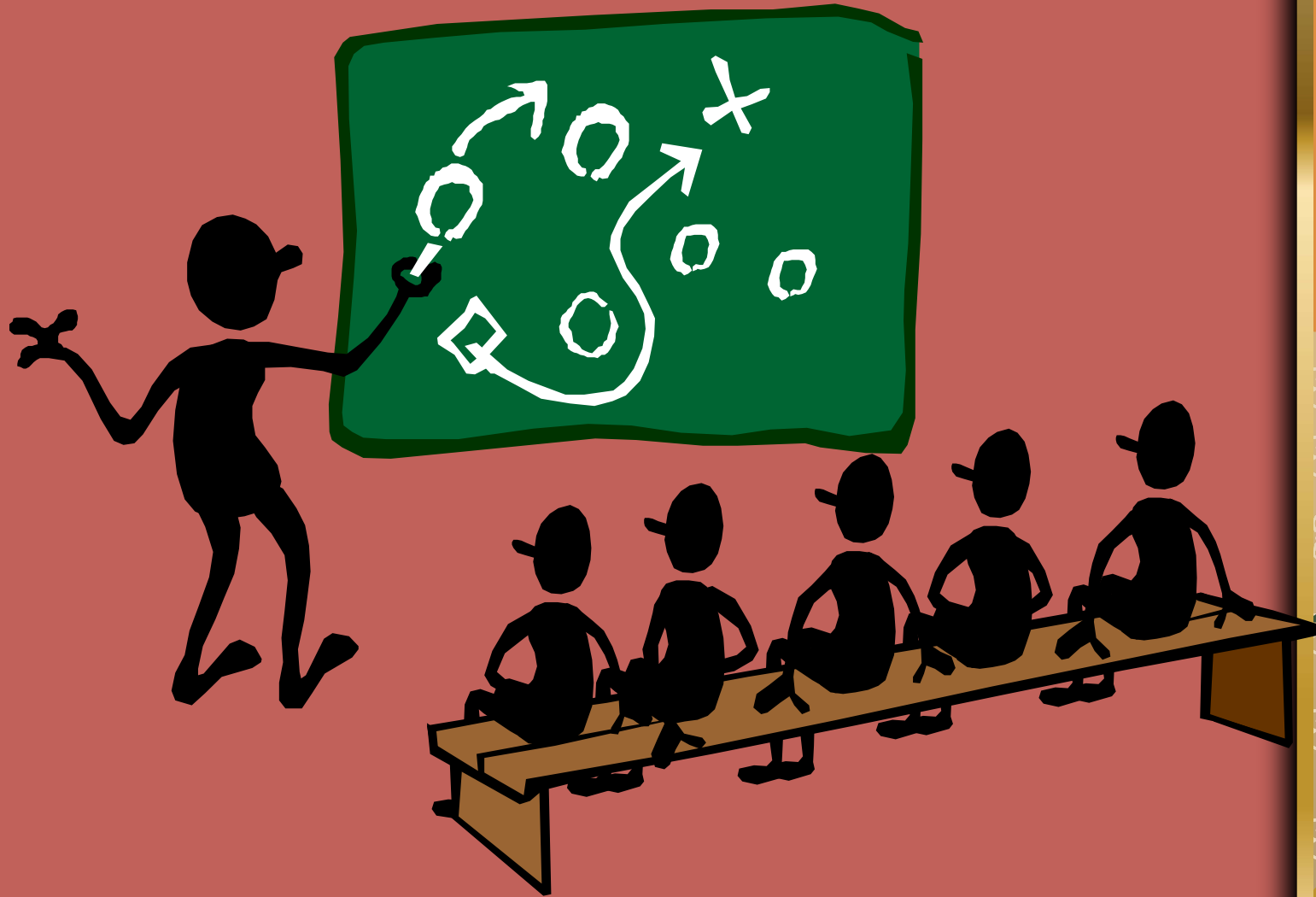
-- Marshall Goldsmith

Pages 56-61 in “The Art and Practice of Leadership Coaching”



Consider the case of...

The lethal expat



Lore's Coachability Model

(from "Measuring the Effectiveness of Executive Coaching" by Terry Bacon)

0	Not coachable at present	Identified psychological issues
1	Extremely low coachability	Narcissistic personality
2	Very low coachability	Resists or defies feedback
3	Fair coachability	Is complacent/unmotivated to change
4	Good coachability	Assessment comes as a wake-up call
5	Very good coachability	Shows an earnest desire to improve
6	Excellent coachability	Has an intrinsic need to grow



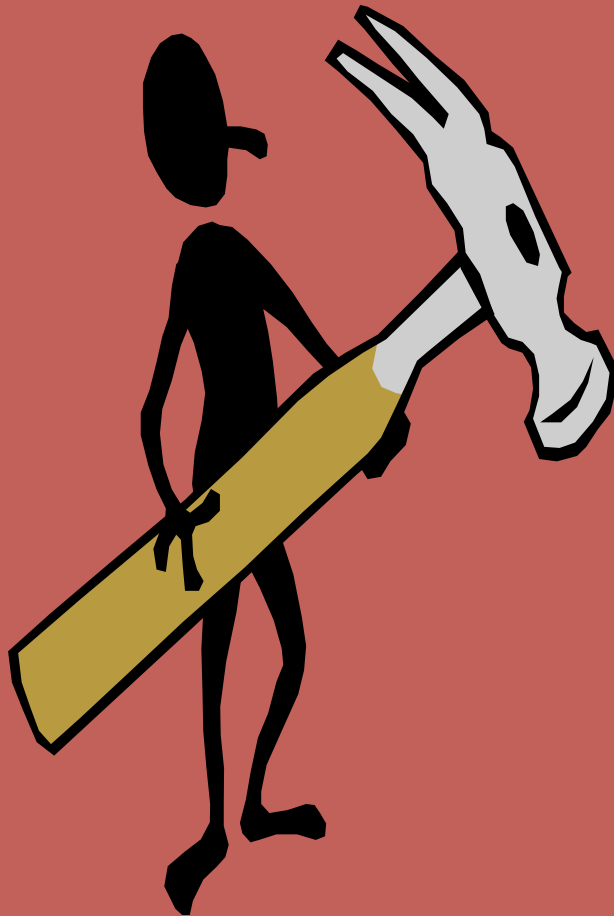
When coaching is offered instead of managing problem performers



- Client may not be able to implement new behaviors in time.
- Other people will question the process.
- Coaching may get a bad reputation.



My favorite tools for Charm School



- Assessment
- 360° feedback
- Stakeholder analysis
- Informants
- Time-outs
- Role-plays
- Videotaping
- “7 Habits of Highly Effective People” (Covey)



Case #2

Uphill Battle:

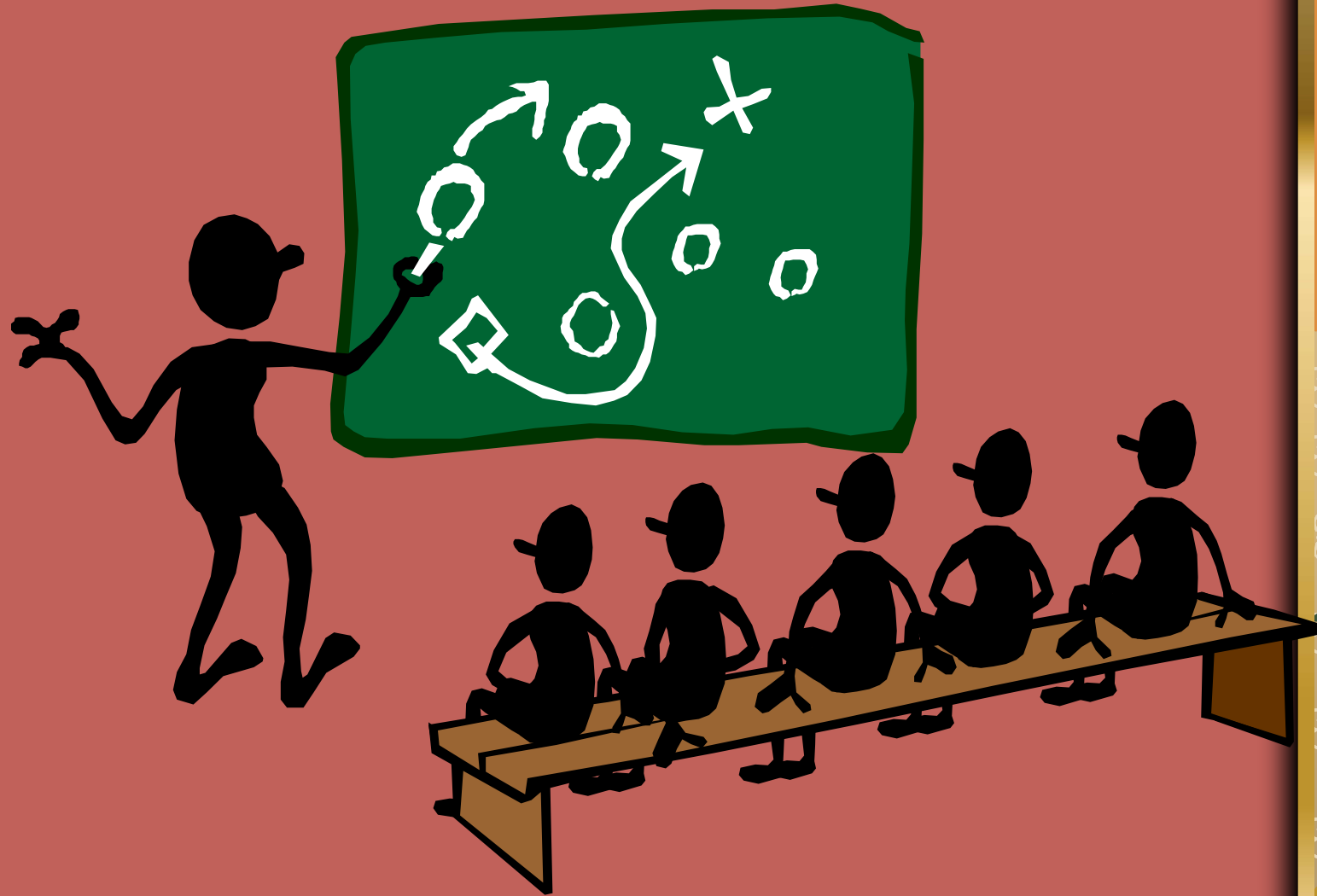
Repairing damaged or broken

- Communication
- Relationships
- Team
- Culture
- Organization
- All of the above



Consider the case of...

Limited interaction in meetings



My favorite tools for the Uphill Battle



- Observation
- Stakeholder interviews
- Online surveys
- Storyboards
- Extra preparation with the boss



Sample interview protocol

- How long have you worked with this person?
- How would you describe your working relationship?
- What are his/her greatest business challenges over the next 6 months? 12 months?
- What are his/her longer term business challenges?
- What do you see as his/her greatest strengths?
- Where should this person focus his/her personal development efforts?
- What do you want him/her to **START** doing? do **MORE** of?
- What do you want him/her to **STOP** doing? do **LESS** of?
- What do you want him/her to **KEEP** doing?
- What else would you like me to know about this person?



Case #3

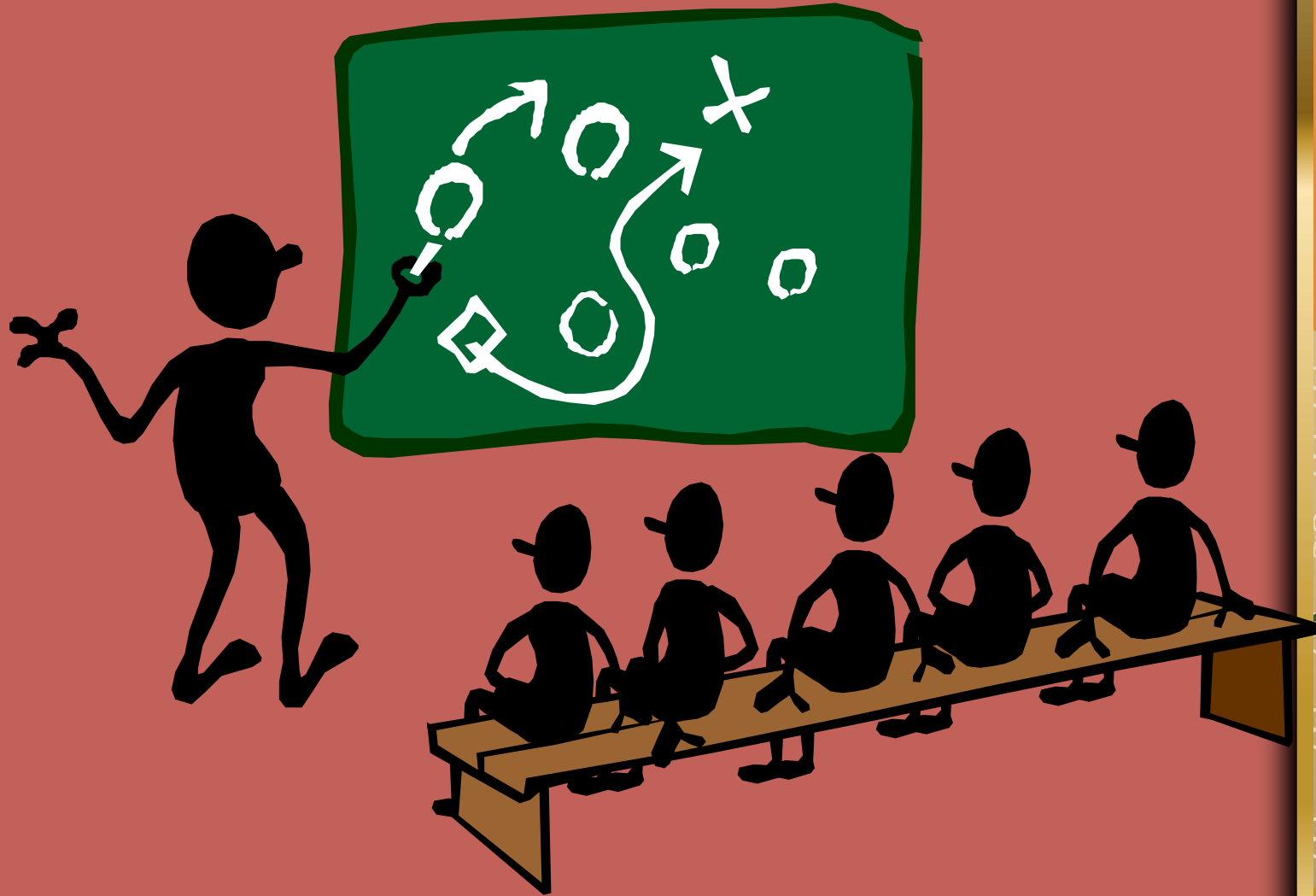
Asset Management:

Investing in high potentials

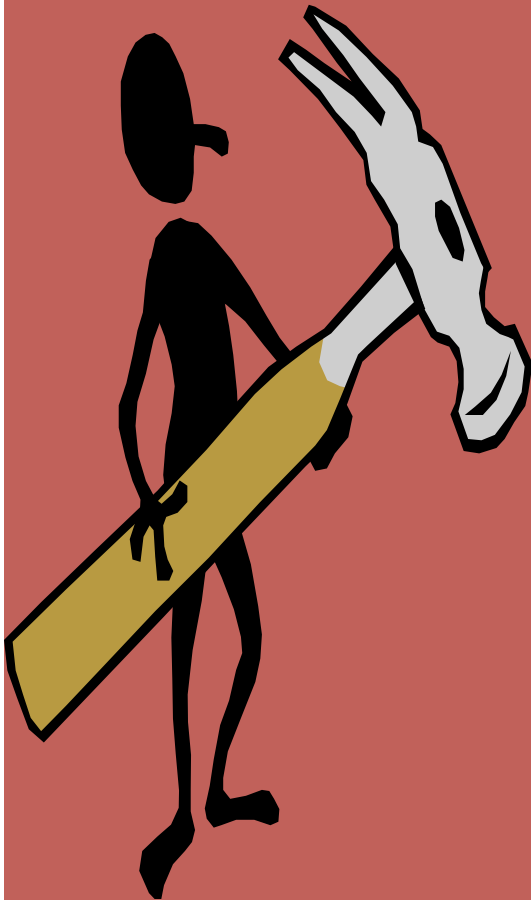


Consider the case of...

The future president



My favorite tools for Asset Management



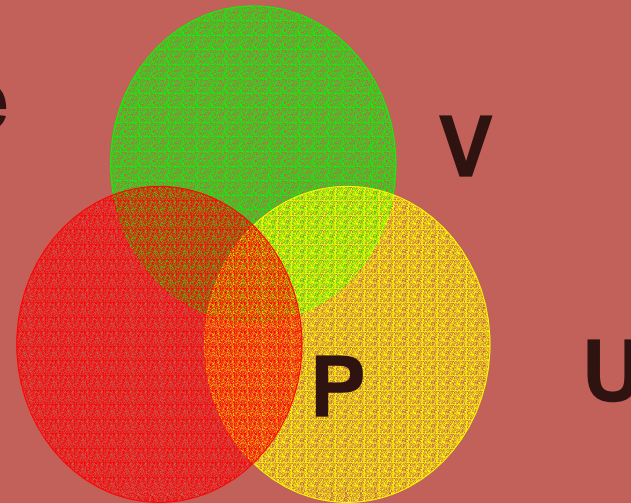
- Hedgehog model
- PACE matrix
- White board
- “What else?”
- “Who can you coach?”
- After Action Review



Maximizing the Sweet Spot

(adapted from “Hedgehog Model” - Jim Collins)

- Where are you most **passionate**?
- Where can you make the most **unique** contribution?
- Where can you add the most **value** (and be most valued)?



PACE Matrix

360° PERSPECTIVES		EXPECTATIONS			
NOTE: We spend lots of time on strengths.	Strengths	Challenges	Job		
				Boss	
				Organization	
				Family	
ABILITIES		CONTEXT			
NOTE: We spend lots of time on strengths.	Strengths	Challenges	Business		Personal
				Short Term (6-18 mos)	
					Long Term (2-5+ yrs)

Positioning challenges as opportunities to build on strengths

Strengths	Opportunities
Passionate commitment: inspires others with passion, dedication, and high standards	Balance toughness with more vulnerability: recognize when to use edge and how to control; don't try to win every battle
Decisive action-orientation: drills down to key issues, develops a direction, then establishes clear and actionable priorities	Create open atmosphere for collaborative problem-solving at all levels; engage people and gain their support; show more trust and respect
Tenacious focus on results: employs a strong work ethic to drive projects to completion and deliver on commitments	Develop and empower team: solicit ideas and listen to others rather than dictating own agenda; delegate; coach and develop others



Bonus application: Appreciating
the unique gifts of our children...

(Note photo was removed to
reduce file size.)



...and our pets

(Note photo was removed to
reduce file size.)



Case #4

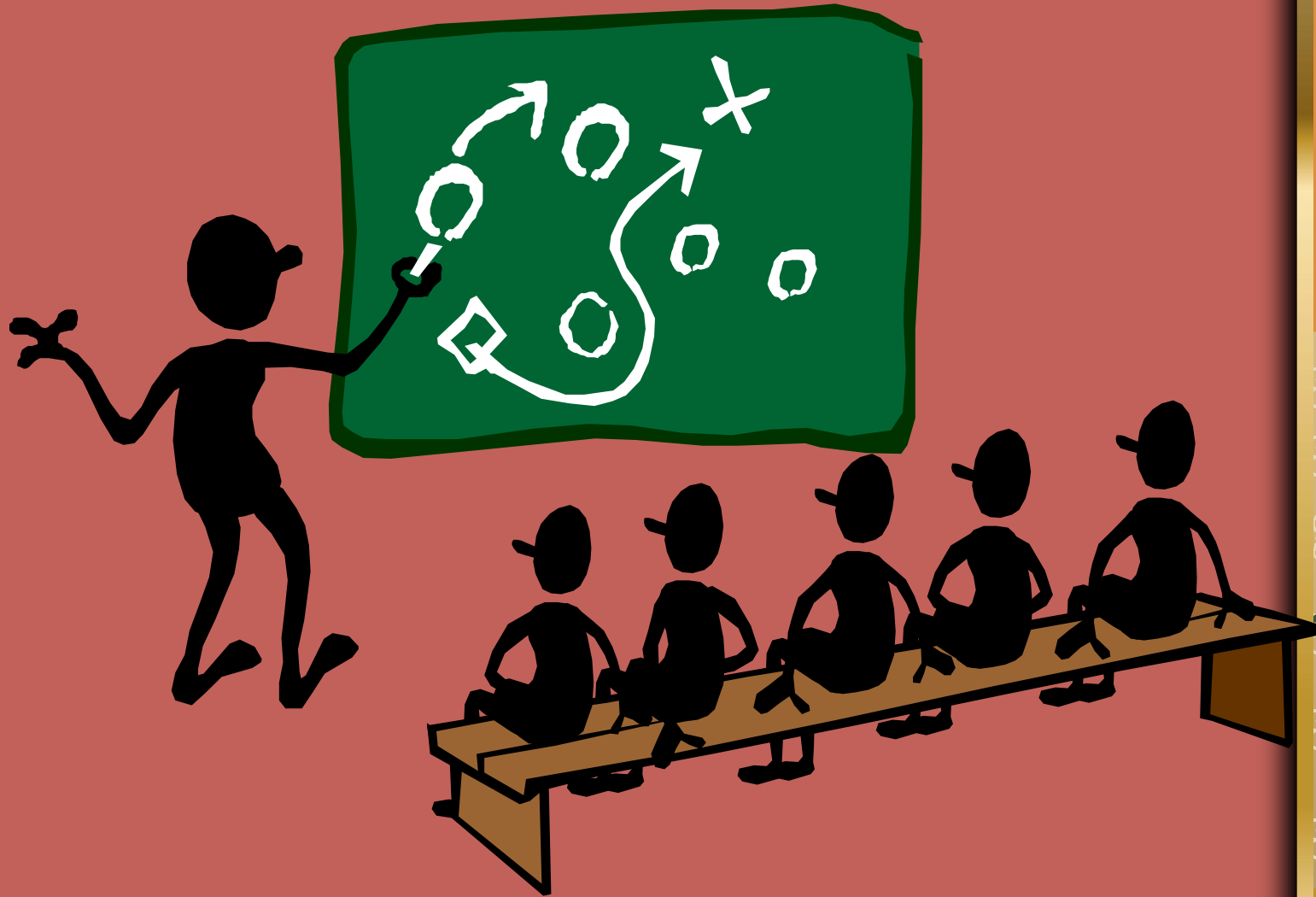
Growth Culture:

Building capacity for growth
and resiliency to cope with
future changes



Consider the case of...

Developing future leaders



Kirkpatrick's 4 levels of evaluation + ROI



1. Reaction to coaching program
2. Learning (change in knowledge/skill)
3. Behavior change
4. Business impact/results
5. Return on investment

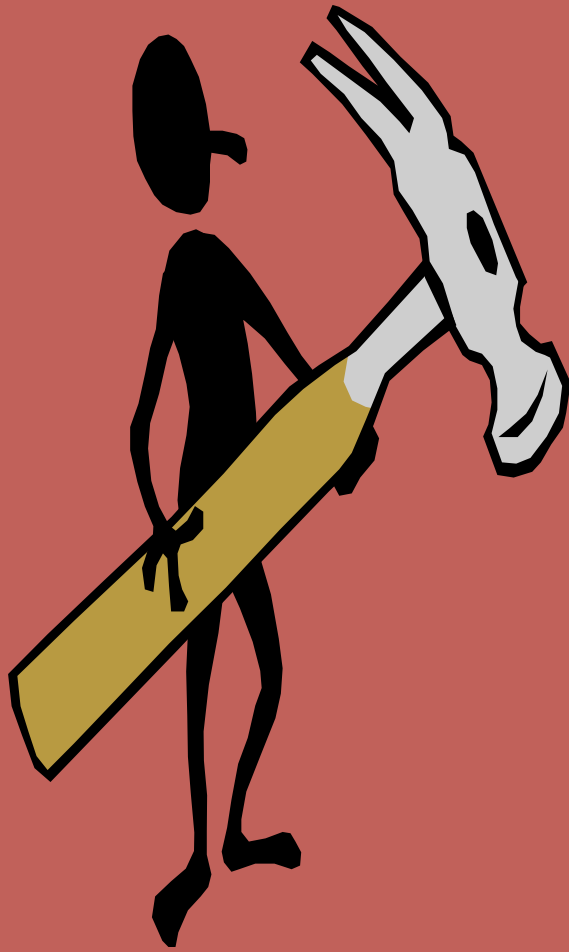


“Assessment will help you focus
on the right stuff in coaching.”

-- Takashi Tanaka
Peakinsight Global Coach Network



My favorite tools for developing Growth Culture



- MBTI
- KAI
- Innovation Horizons®
- Action learning
- Development Pipeline™ (PDI)
- “Leader as Coach” (PDI)



KAI (by Michael Kirton)



Adaptors try to resolve problems; want to improve the system and do things better

Innovators look for new possibilities; want to change the system and do things differently



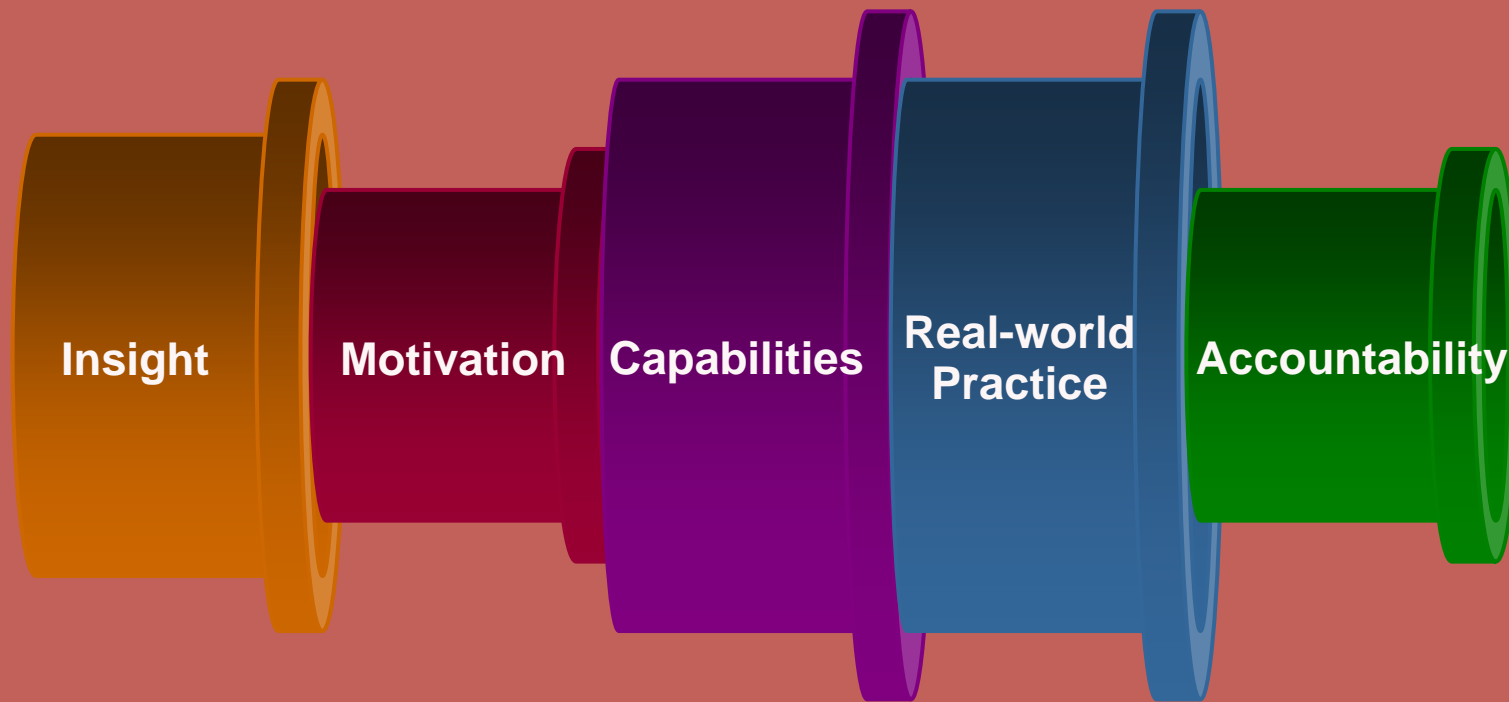


Innovation Horizons®

- Scout
- Inquisitor
- Networker
- Collaborator
- Catalyst
- Builder
- Prototyper
- Evangelist
- Challenger
- Customer Advocate
- Ecologist
- Cultivator



The Development Pipeline™ (David Peterson, PDI)



“Leader as Coach” (PDI)

- **Forge a partnership:** Build trust and understanding so people want to work with you.
- **Inspire commitment:** Build insight and motivation so people focus their energy on goals that matter.
- **Grow skills:** Build new competencies to ensure people know how to do what is required.
- **Promote persistence:** Build stamina and discipline to make sure learning lasts on the job.
- **Shape the environment:** Build organizational support to reward learning and remove barriers.



The Coaching Pipeline™ (KH)

**Ask
Powerful
Questions**

**Crystallize
Intention &
Commitment**

**Leverage
Unique
Talents**

**Encourage
Action &
Reflection**

**Provide
Positive
Reinforcement**



How can you maximize your investment in coaching?

...while keeping in mind that ROI is in the eye of the beholder



Tangible benefits of coaching

(as reported by executives in Manchester study)



- Productivity (53%)
- Quality (48%)
- Organizational strength (48%)
- Customer service (39%)
- Reduced complaints (34%)
- Own retention (32%)
- Cost reductions (23%)
- Bottom-line profitability (22%)
- Top-line revenue (14%)
- Reduced turnover (12%)



Intangible benefits of coaching

(as reported by executives in Manchester study)

- Improved **relationships** with direct reports (77%)
- Improved **relationships** with stakeholders (71%)
- Improved **teamwork** (67%)
- Improved **relationships** with peers (63%)
- Improved job satisfaction (61%)
- **Reduced conflict** (52%)
- Increased organizational commitment (44%)
- Improved **relationships** with clients (37%)

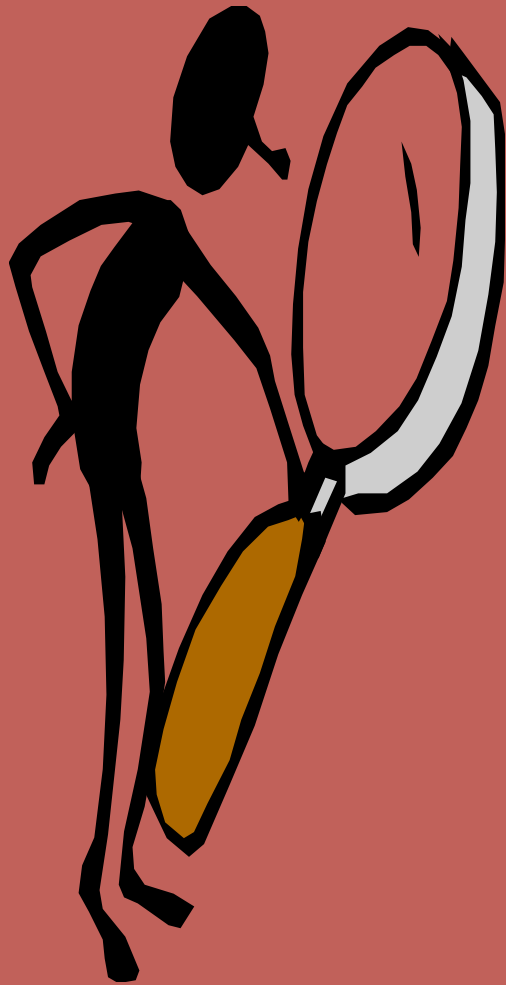


Our research: How did you and your organization benefit?

- “We achieved 3 years of more than 20% growth in the business.”
 - “We completed organization transformation successfully.”
 - “We made plan last year, despite having to come from behind.”
-
- “I am able to lead/manage more effectively.”
 - “I became a better coach for others.”
 - “I improved the relationship with my boss.”
 - “I don’t let things fester, especially people issues.”
-
- “I got a 45% salary increase!”
 - “I got a new promotion!”
 - “I received higher performance ratings.”



Determine program scope



- Will coaching be offered to executives at particular level(s)?
- Will coaching be offered to people going through particular transitions?
- Will coaching focus on leadership behavior change vs. personal growth or what?
- Will some form of coaching be offered in conjunction with leadership development programs?



Prepare everyone to get the most out of coaching



- Help coaches become familiar with your company's business and culture
- Establish a "contract" between client and coach
- Encourage coach to interview stakeholders
- Set realistic expectations with client and boss/stakeholders
- Help participants get started

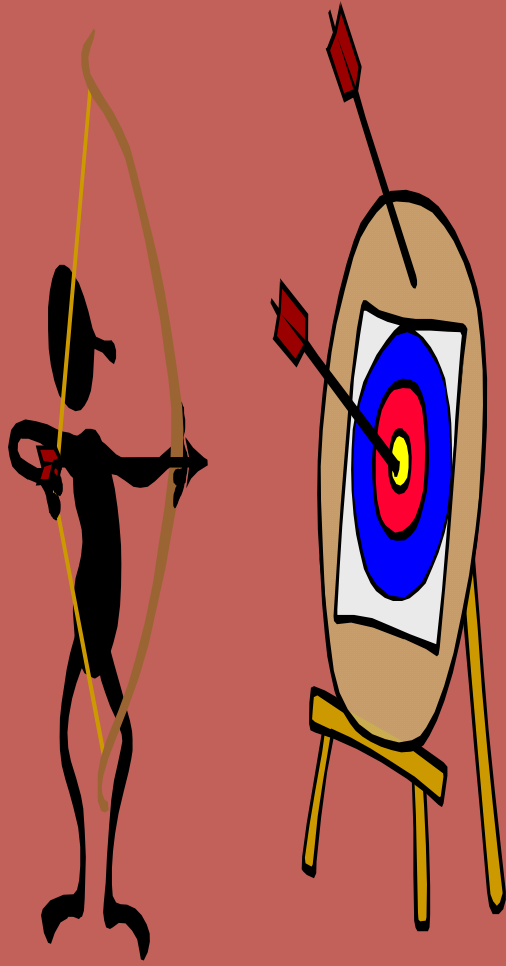


Collect data & calculate ROI

1. Verify changes in executive behavior and results
2. Estimate financial benefits of these changes
3. Adjust #2 by asking for % confidence in this estimate
4. Estimate % of coaching contribution to the changes
5. Adjust #4 by asking for % confidence in this estimate
6. Multiply #3x#5 to calculate total financial benefit attributable to coaching
7. Estimate cost of providing coaching – may go beyond coaching fee to include participant time (as % salary) and other resources
8. Divide #6 by #7 to calculate **Benefits/Cost Ratio**
9. Subtract #7 from #6 to calculate **Net Program Benefits**
10. Divide #9 by #7 (and then multiply by 100) to calculate **ROI**, the Return on Investment



Anticipate and shape ROI – as coaching begins



- Develop success map
- Ask “How much will this change be worth to your organization?”
- Ask about potential benefits
- Reinforce potential benefits with key stakeholders



To maximize ROI...

1. Do not use coaching as a substitute for managing problem performers.
2. Recognize that leadership development programs may have a higher ROI than coaching.
3. Invest in high-potentials.
4. Choose coaches who can change behavior and/or help people leverage strengths.
5. Link coaching to business priorities.



Coaching Resources

- “Adaptive Coaching” by Terry Bacon & Karen Spear (2003).
- “Coach U’s Essential Coaching Tools” by Coach U Inc. (2005).
- “Executive Coaching: Practices & Perspectives” edited by Catherine Fitzgerald & Jennifer Garvey Berger (2002).
- “Coaching” by James Flaherty (1999).
- “The Handbook of Coaching” by Frederic Hudson (1999).
- “FYI: For Your Improvement” by Michael Lombardo & Robert Eichinger (4th Edition, 2004).
- “The Art and Practice of Leadership Coaching” edited by Howard Morgan, Phil Harkins & Marshall Goldsmith (2004).
- “Leader as Coach” by David Peterson & Mary Dee Hicks (1996).
- “Coaching for Extraordinary Results” edited by Jack Phillips & Darelyn Mitsch (2002).
- “Co-Active Coaching” by Laura Whitworth, Henry Kimsey-House & Phil Sandahl (1998).



ROI Resources

- Kirkpatrick, D.L. (1998). *Evaluating training programs: The four levels* (2nd ed.). San Francisco: Berrett-Koehler.
- Kirkpatrick, D.L. & Kirkpatrick, J.D. (2005). *Transferring learning to behavior: Using the four levels to improve performance*. San Francisco: Berrett-Koehler.
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- Peterson, D. B. (2002). Management development: Coaching and mentoring programs. In K. Kraiger (Ed.), *Creating, implementing, and managing effective training and development: State-of-the-art lessons for practice* (pp. 160-191). San Francisco: Jossey-Bass.
- Peterson, D. B., & Kraiger, K. (2004). A practical guide to evaluating coaching: Translating state-of-the-art techniques to the real world. In J. E. Edwards, J. C. Scott, & N. S. Raju, (Eds.), *The human resources program evaluation handbook* (pp. 262-282). Thousand Oaks, CA: SAGE Publications.
- Thompson, A. D., Jr. (1986). A formative evaluation of an individualized coaching program for business managers and professionals. Unpublished doctoral dissertation. University of Minnesota, Minneapolis.



Appreciative Inquiry Collaborators

- David Cooperrider & Suresh Srivastva
at Case Western Reserve
- Diana Whitney/others at Taos Institute
& Corporation for Positive Change
- AI Commons
<http://appreciativeinquiry.case.edu>
- Business as an Agent for World Benefit
- Positive Organizational Scholarship
<http://www.bus.umich.edu/Positive/>



Appreciative Inquiry Resources

- Cooperrider, D.L., Sorensen Jr., P.F., Whitney, D. & Yaeger, T.F., Editors (2005). *Appreciative inquiry: Rethinking human organization toward a positive theory of change*. Champaign, IL: Stipes.
- Cooperrider, D.L. & Whitney, D. (2005). *Appreciative inquiry: A positive revolution in change*. San Francisco: Berrett-Koehler.
- Cooperrider, D.L., Whitney, D. & Stavros, J.M. (2003). *Appreciative inquiry handbook: The first in a series of AI workbooks for leaders of change*. Bedford Heights, OH: Lakeshore Communications.
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- Whitney, D. & Trosten-Bloom, A. (2003). *The power of appreciative inquiry: A practical guide to positive change*. San Francisco: Berrett-Koehler.



What are YOUR questions?



- Ask now
- Ask after today's session
- Send email later to:
katherine@peakinsight.com
- Send email if you want a copy of today's presentation or want information about Coach Salon starting July 15



Peakinsight LLC

... fosters catalytic connections between people, organizations and the environment to impact how business will operate profitably and evolve sustainably in the future. We offer coaching, action learning, and organizational change consulting services.

Please visit our website at

<http://www.peakinsight.com> for more information.

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